

APPENDIX A  
UTAH'S SNF MARKET BASKET INDEX  
(Continued)

<u>Description</u>	<u>Weight</u>	<u>Source</u>
Drugs	1.40%	U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Pres- cription Drugs Component for CPI-U, from Table 20*
Health services	1.21%	U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Physician Services Compo- nent for CPI-U, from Table 20
	<u>100.0%</u>	

\* Different source than used by HCFA.

APPENDIX B  
NURSING HOME INFLATION RATE INDEX SURVEY

<u>State</u>	<u>Index</u>
Alabama	DRI-SNF market basket
Arkansas	No index
Colorado	CPI-U all items
Connecticut	GNP-IPD
Delaware	State index of consumer prices
Florida	DRI-SNF market basket
Georgia	CPI-U all items Southern regional inflation index
Hawaii	DRI-SNF market basket
Idaho	Customized market basket
Illinois	Customized market basket
Indiana	GNP-IPD
Iowa	Historical cost increases
Kentucky	DRI-SNF market basket
Louisiana	Customized market basket South region CPI-U components
Maryland	Customized market basket CPI-U components State data
Massachusetts	Customized market basket
Michigan	Customized market basket
Minnesota	Customized market basket
Missouri	Negotiated
Montana	Negotiated
Nebraska	CPI
Nevada	CPI-U all items
New Hampshire	CPI-U all items
New Jersey	Customized market basket: 60% payroll, 40% other
New Mexico	HCFA-SNF market basket
North Carolina	Separate components State wage data GNP-IPD

APPENDIX B  
NURSING HOME INFLATION RATE INDEX SURVEY  
(Continued)

<u>State</u>	<u>Index</u>
North Dakota	Separate components CPI-U all items CPI-W non-food expenditures
Oklahoma	CPI
Oregon	CPI-U all items
Pennsylvania	CPI-W all items
Rhode Island	HCFA-SNF market basket
South Carolina	Customized market basket
South Dakota	CPI all items North central region
Texas	Separate components
Vermont	Customized market basket: 60% DRI-SNF, 40% CPI-region
Washington	No index
West Virginia	CPI
Wyoming	CPI
District of Columbia	Historical cost increases

## APPENDIX C

TOTAL COSTS FOR NURSING HOMES BY LINE ITEM FOR FULL YEAR  
COST REPORTS FROM 7/1/83 - 12/31/84.

DESCRIPTION	COST CODE	ACCOUNT CODE	AMOUNT	PERCENT TOTAL	WT. CODE
<b>GENERAL ADMINISTRATIVE</b>					
ADMIN. SALARY LIC.	1	1	2,246,606	3.34%	1
ASST. ADMIN. SAL. LIC.		2	427,938	0.64%	1
OFFICE SALARIES & WAGES		3	1,696,995	2.52%	1
DIRECTOR FEES		4	52,240	0.08%	1
PAYROLL TAXES AND EMP. BEN.		5	7,206,936	10.70%	1
MANAGEMENT SERVICES		6	2,706,182	4.02%	5
CENTRAL OFFICE OVERHEAD		8	673,935	1.00%	4
ADVERTISING		9	82,442	0.12%	5
TELEPHONE		10	538,151	0.80%	3
DUES, SUBSCRIPTIONS & LICENSES		11	261,793	0.39%	4
OFF. SUPPLIES, PRINT. & POST.		12	366,060	0.54%	6
LEGAL AND ACCOUNTING		13	358,638	0.53%	5
UTILIZATION REVIEW		14	29,489	0.04%	5
TRAVEL & SEMINARS		15	273,349	0.41%	4
DATA PROCESSING		16	73,018	0.11%	5
AMORTIZATION - ORGANIZATION		17	94,730	0.14%	4
TAXES		18	70,056	0.10%	4
INSERVICE TRAINING		19	29,255	0.04%	5
INTEREST		20	185,168	0.27%	4
MISC.		24	261,907	0.39%	4
MEDICAL RECORDS & WARD CLERK		25	485,204	0.72%	5
TOTAL			18,120,092		
<b>PLANT OPERATION &amp; MAINTENANCE</b>					
SALARIES AND WAGES	3	4	1,111,676	1.65%	1
EQUIPMENT RENTAL		5	219,088	0.33%	6
SUPPLIES		6	217,682	0.32%	6
PURCHASED SERVICES		7	217,916	0.32%	5
REPAIR & MAT. - BLDG. & GROUNDS		8	565,597	0.84%	5
REPAIR & MAT. - EQUIP.		9	263,490	0.39%	5
REPAIR & MAT. - TRANS. EQUIP.		10	193,552	0.29%	5
INSURANCE		11	102,067	0.15%	4
UTILITIES		12	3,115,156	4.63%	3
MISC.		13	9,804	0.01%	4
TOTAL			6,016,028		
<b>DIETARY</b>					
SALARIES AND WAGES	4	4	4,418,148	6.56%	1
FOOD		5	4,662,121	6.92%	2
FOOD SUPPLIES		6	328,762	0.49%	6
PURCHASED SERVICES		7	549,212	0.82%	5
MISC.		8	32,675	0.05%	4
TOTAL			9,990,918		

# LAUNDRY AND LINEN

=====

SALARIES AND WAGES  
LINEN AND BEDDING  
SUPPLIES  
PURCHASED SERVICES  
MISC.

5	4	1,066,149	1.58%	1
	5	240,335	0.36%	6
	6	175,816	0.26%	6
	7	84,262	0.13%	5
	8	10,344	0.02%	4
TOTAL		1,576,906		

# HOUSEKEEPING

=====

SALARIES AND WAGES  
SUPPLIES  
PURCHASED SERVICES  
MISC.

6	4	2,210,936	3.28%	1
	5	510,907	0.76%	6
	6	193,753	0.29%	5
	7	7,947	0.01%	4
TOTAL		2,923,543		

# NURSING

=====

DIRECTOR OF NURSING  
ASST. DIRECTOR OF NURSING  
INSERVICE STAFF  
SALARIES AND WAGES  
MED. SUPPLIES  
CONSULTANTS  
PHYSICIAN  
OXYGEN  
SC.

7	1	1,246,669	1.85%	8
	2	392,339	0.58%	8
	3	225,005	0.33%	8
	4	21,713,554	32.24%	1
	5	1,821,314	2.70%	7
	6	406,362	0.60%	8
	7	264,330	0.39%	8
	12	84,347	0.13%	6
	13	519,694	0.77%	4
TOTAL		26,673,614		

# RECREATIONAL ACT. & SPEC. SERVICES

=====

SALARIES  
PURCHASED SERVICES  
OTHER  
SHELTERED WORKSHOPS

8	4	1,607,108	2.39%	1
	5	166,294	0.25%	5
	6	263,923	0.39%	4
	7	5,374	0.01%	5
TOTAL		2,042,699		

GRAND TOTAL 67,343,800 100.00%

# DESCRIPTION

=====

1. PAYROLL EXPENSE & BENEFITS  
2. FOOD  
3. FUEL AND UTILITIES  
4. MISCELLANEOUS  
5. OTHER BUSINESS SERVICES  
6. SUPPLIES  
7. DRUGS  
HEALTH SERVICES

=====

WEIGHT

64.98%  
6.92%  
5.42%  
4.11%  
8.91%  
3.18%  
2.70%  
3.76%  
100.00%

# APPENDIX D -- PERCENT CHANGES IN VARIOUS INDEXES

CATEGORY	SOURCE	12/79	12/80
=====	=====	=====	=====
PAYROLL & BEN.	E&E, AVE HRLY WAGE IN NURSING & CARE	\$3.93	\$4.28
	PRECENT CHANGE		8.91%
FOOD	MLR, CPI-U FOOD & BEVERAGE	235.5	259.3
	PRECENT CHANGE		10.11%
FUEL & UTILITIES	MLR, CPI-U FUEL & OTHER UTILITIES	255.1	289.9
	PRECENT CHANGE		13.64%
MISC.	MLR, CPI-U ALL ITEMS	229.9	258.4
	PRECENT CHANGE		12.40%
OTHER BUS. SERV.	MLR, CPI-I SERVICES	249.3	284.7
	PRECENT CHANGE		14.20%
SUPPLIES	MLR, CPI-U ALL ITEMS	229.9	258.4
	PRECENT CHANGE		12.40%
DRUGS	MLR, CPI-U PHARM PREP, ETHICAL	145.2	159.4
	PRECENT CHANGE		9.78%
HEALTH SERVICES	MLR, CPI-U PHYSICIANS SERV	252.5	280.3
	PRECENT CHANGE		11.01%
	MLR, CPI-U ALL ITEMS	229.9	258.4
	PRECENT CHANGE		12.40%

## INFLATION INDEX

=====	CATEGORY	WTS.	12/80
=====	=====	=====	=====
CASE 1	1	64.98%	8.91%
CURRENT NATIONAL INDEXES APPLIED TO ACTUAL			5.79%
UTAH NURSING HOME MARKET BASKET	2	6.92%	10.11%
			0.70%
	3	5.42%	13.64%
			0.74%
	4	4.11%	12.40%
			0.51%
	5	8.91%	14.20%
			1.27%
	6	3.18%	12.40%
			0.39%
	7	2.70%	9.78%
			0.26%
	8	3.76%	11.01%
			0.41%
			-----
			10.07%
			=====

## CASE 4

TWO CATEGORIES: PAYROLL AND OTHER.  
 PAYROLL USES AVE HRLY EARNINGS,  
 OTHER USES CPI-U ALL ITEMS

1	67.75%	8.91%
		5.79%
2	32.25%	12.40%
		4.34%

-----  
 10.13%  
 =====

## CASE 6

STRAIGHT CPI-U ALL ITEMS

-----  
 12.40%  
 =====

12/81	12/82	12/83	12/84
=====	=====	=====	=====
\$4.64	\$4.91	\$5.28	\$5.47
8.41%	5.82%	7.54%	3.60%
270.5	279.1	286.5	297.23
4.32%	3.18%	2.65%	3.75%
331.8	364.1	370.6	386.0
14.45%	9.73%	1.79%	4.16%
281.5	292.4	303.5	315.5
8.94%	3.87%	3.80%	3.95%
321.8	335.6	351.6	370.6
13.03%	4.29%	4.77%	5.40%
281.5	292.4	303.5	315.5
8.94%	3.87%	3.80%	3.95%
177.4	197.8	218.8	238.0
11.29%	11.50%	10.62%	8.78%
313.0	336.6	362.0	383.8
11.67%	7.54%	7.55%	6.02%
281.5	292.4	303.5	315.5
8.94%	3.87%	3.80%	3.95%

12/81	12/82	12/83	12/84
=====	=====	=====	=====
8.41%	5.82%	7.54%	3.60%
5.47%	3.78%	4.90%	2.34%
4.32%	3.18%	2.65%	3.75%
0.30%	0.22%	0.18%	0.26%
14.45%	9.73%	1.79%	4.16%
0.78%	0.53%	0.10%	0.23%
8.94%	3.87%	3.80%	3.95%
0.37%	0.16%	0.16%	0.16%
13.03%	4.29%	4.77%	5.40%
1.16%	0.38%	0.42%	0.48%
8.94%	3.87%	3.80%	3.95%
0.28%	0.12%	0.12%	0.13%
11.29%	11.50%	10.62%	8.78%
0.30%	0.31%	0.29%	0.24%
11.67%	7.54%	7.55%	6.02%
0.44%	0.28%	0.28%	0.23%
-----	-----	-----	-----
9.10%	5.79%	6.45%	4.06%
=====	=====	=====	=====

8.41%	5.82%	7.54%	3.60%
5.47%	3.78%	4.90%	2.34%
8.94%	3.87%	3.80%	3.95%
3.13%	1.36%	1.33%	1.38%

8.60%	5.14%	6.23%	3.72%
=====	=====	=====	=====

8.94%	3.87%	3.80%	3.95%
=====	=====	=====	=====

## INFLATION INDEX

=====

CASE 2

CURRENT NATIONAL INDEXES APPLIED  
TO HCFA MARKET BASKET WEIGHTS

CATEGORY	WTS.	12/80
=====	=====	=====
1	69.18%	8.91%
		6.16%
2	9.71%	10.11%
		0.98%
3	5.26%	13.64%
		0.72%
4	4.97%	12.40%
		0.62%
5	4.87%	14.20%
		0.69%
6	3.40%	12.40%
		0.42%
7	1.40%	9.78%
		0.14%
8	1.21%	11.01%
		0.13%
		-----
		9.86%
		=====



12/81	12/82	12/83	12/84
8.41%	5.82%	7.54%	3.60%
5.82%	4.03%	5.21%	2.49%
4.32%	3.18%	2.65%	3.75%
0.42%	0.31%	0.26%	0.36%
14.45%	9.73%	1.79%	4.16%
0.76%	0.51%	0.09%	0.22%
8.94%	3.87%	3.80%	3.95%
0.44%	0.19%	0.19%	0.20%
13.03%	4.29%	4.77%	5.40%
0.63%	0.21%	0.23%	0.26%
8.94%	3.87%	3.80%	3.95%
0.30%	0.13%	0.13%	0.13%
11.29%	11.50%	10.62%	8.78%
0.16%	0.16%	0.15%	0.12%
11.67%	7.54%	7.55%	6.02%
0.14%	0.09%	0.09%	0.07%
8.68%	5.63%	6.35%	3.86%

# APPENDIX D -- PERCENT CHANGES IN VARIOUS INDEXES

CATEGORY	SOURCE	12/79	12/80
PAYROLL & BEN.	UTAH, AVE MO WAGE IN NURSING & CARE	\$526.00	\$567.00
	PERCENT CHANGE		7.79%
FOOD	MLR, CPI-U FOOD & BEVERAGE	235.5	259.3
	PERCENT CHANGE		10.11%
FUEL & UTILITIES	MLR, CPI-U FUEL & OTHER UTILITIES	255.1	289.9
	PERCENT CHANGE		13.64%
MISC.	MLR, CPI-U ALL ITEMS	229.9	258.4
	PERCENT CHANGE		12.40%
OTHER BUS. SERV.	MLR, CPI-I SERVICES	249.3	284.7
	PERCENT CHANGE		14.20%
SUPPLIES	MLR, CPI-U ALL ITEMS	229.9	258.4
	PERCENT CHANGE		12.40%
DRUGS	MLR, CPI-U PHARM PREP, ETHICAL	145.2	159.4
	PERCENT CHANGE		9.78%
HEALTH SERVICES	MLR, CPI-U PHYSICIANS SERV	252.5	280.3
	PERCENT CHANGE		11.01%
	MLR, CPI-U ALL ITEMS	229.9	258.4
	PERCENT CHANGE		12.40%

## INFLATION INDEX

CATEGORY	WTS.	12/80
CASE 3	1	64.98%
CURRENT NATIONAL INDEXES AND UTAH WAGE		7.79%
DATA APPLIED TO ACTUAL	2	5.06%
UTAH NURSING HOME MARKET BASKET		10.11%
	3	0.70%
		5.42%
	4	13.64%
		0.74%
	4	12.40%
		0.51%
	5	14.20%
		1.27%
	6	12.40%
		0.39%
	7	9.78%
		0.26%
	8	11.01%
		0.41%
		-----
		9.35%
		=====

## CASE 5

TWO CATEGORIES: PAYROLL AND OTHER.	1	67.75%	7.79%
PAYROLL USES UTAH AVE MO EARNINGS,			5.28%
OTHER USES CPI-U ALL ITEMS	2	32.25%	12.40%
			4.00%
			-----
			9.28%
			=====